

# JAPAN ECONOMIC TREND RESEARCH

## Appendix

### 1. Research Subjects(Corporations: 22,760

Valid responses:11,114,Response rate:48.8%)

#### 1. Region

Hokkaido	566	Tokai	1,236
Tohoku	644	Kinki	1,851
kitaKanto	748	Chugoku	684
minamikanto	3,629	Shikoku	340
Hokuriku	580	Kyushu	836
		<b>Total</b>	<b>11,114</b>

#### 2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		75
Finance		117
Construction		1,461
Real Estate		286
Manufacturing 3,223	Food, Beverages, Livestock Feed	388
	Textile, Textile Products, Clothing	124
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	265
	Pulp, Paper and Paper Products	121
	Publishing, Printing	210
	Chemical	443
	Steel, Nonferrous Metals, Mining	590
	General Machinery	484
	Electrical Machinery	390
	Transportation Machinery, Equipment	124
	Precision Machinery, Medical Instruments and Equipment	89
Others	95	
Wholesale 3,959	Food, Beverages	407
	Textile, Textile Products, Clothing	221
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	377
	Paper Products, Stationery, Books	124
	Chemical	318
	Recycled Resources	30
	Steel, Nonferrous Metals, Mining Products	340
	Machinery, Equipment	984
	Others	393

Retail 480	Food, Beverages	81
	Textile, Textile Products, Clothing	42
	Drugs, Sundries	28
	Furniture	12
	Electrical Household Appliances, Information Machinery and Equipment	34
	Motor Vehicles, Motor Vehicle Parts	61
	Special Merchandise	144
	Various Merchandise	54
Others	5	
Transportation, Warehousing		468
Service 1,384	Restaurants	38
	Telecommunications	9
	Electricity, Gas, Water, Heat	9
	Leasing, Rentals	135
	Lodging, Hotels	41
	Recreation	63
	Broadcasting	18
	Maintenance, Guarding, Testing	150
	Advertising	146
	Information	516
	Labor Dispatching	67
	Special Services	225
Medical, Welfare, Public Health	112	
Education	23	
Others	140	
Others		37
<b>Total</b>		<b>11,114</b>

#### 3. Size

Large Firms	2,576	23.2%
Small to Medium-sized Firms	8,538	76.8%
micro Firms	2,475	22.3%
<b>Total</b>	<b>11,114</b>	<b>45.4%</b>

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## 2. Research Items

- \*Business Confidence (current, in 3 months, in 6 months, in 1 year)
- \*Business Conditions (sales, purchasing and selling unit price, inventory, capacity utilization ratio, number of employees, overtime work hours)

## 3. Research Period and Methodology

Internet-based survey conducted August 20 to 31, 2013

### The explanation of the Economic Diffusion Index

#### Research Purpose/Researched Terms

TDB Economic Trend Research (started from May 2002) is a monthly statistical survey conducted for over 20,000 nationwide corporations on their general business activities including the current condition and future outlook of the industry business performance and operating climate. The primary purpose of such a survey is to assess the current state of Japan's economy.

#### Selection of the Subject Corporations

Companies of all sizes in all domestic industries are eligible to participate in the survey.

#### DI Formula

The DI (Diffusion Index) is calculated by attaching a number (in parenthesis in the diagram below) to each of seven possible responses. Then multiplying the percentage of each response by the appropriate number, and adding the results.

Very Bad	Bad	Moderately Bad	Neither Good or Bad	Moderately Good	Good	Very Good
(0)	(1/6)	(2/6)	(3/6)	(4/6)	(5/6)	(6/6)
0	16.7	33.3	DI=50 Dividing point	66.7	83.3	100

A DI over 50 is in the range of "Good." A score under 50 is "Bad." The number 50 is the dividing point ("Neither Good or Bad"). All numbers are rounded off to the hundredth. It should be noted that no weight is given to a company's responses based on its size. Calculations are made according to a "one company, one vote" rule.

For example, all corporations rated 'Very Good'.

$$DI=6/6 \times 100(\%)=100$$

All corporations rated 'Neither Good nor Bad'.

$$DI=3/6 \times 100(\%)=50$$

## Size Classification

Industry	Large Firms	Small to Medium-Sized Firms (Micro Firms included)	Micro Firms
Manufacturing and Other Industries*	Capital: More than 300 million yen and No. of Employee: Over 300	Capital: Below 300 million yen or No. of Employee: Below 300	No. of Employee: Below 20
Wholesale Trade	Capital: More than 100 million yen and No. of Employee: Over 100	Capital: Below 100 million yen or No. of Employee: Below 100	No. of Employee: Below 5
Retail Trade	Capital: More than 50 million yen and No. of Employee: Over 50	Capital: Below 50 million yen or No. of Employee: Below 50	No. of Employee: Below 5
Service**	Capital: More than 50 million yen and No. of Employee: Over 100	Capital: Below 50 million yen or No. of Employee: Below 100	No. of Employee: Below 5

Note1: Large Firms refer to companies that rank in the top 3% in terms of sales volume according to the type of business, among small to midium-sized corporations excluding micro firms, which are defined in Small and Medium Enterprises Basic Act.

Note2: Small to Medium-Sized Firms refer to companies that rank in the bottom 50% in terms of sales volume according to the type of business, among those not categorized as small to midium-sized corporations in Small to Medium-Sized Enterprises Basic Act.